Reconciliation Conference Report Worse For Medicaid Beneficiaries than House-Passed Bill

The Reconciliation Conference Report makes a number of changes to the Medicaid cost sharing and benefits flexibility provisions that are even more burdensome for families than the House-passed bill. The Senate-passed bill had not included any provisions cutting health care benefits or increasing families costs to see their doctor.

The Conference Report provides fewer benefit protections for children than the House-passed bill. Under this bill, states may provide any child, without regard to income, with a lesser benefits package than they have today. The state has the option to wrap this reduced coverage with needed benefits, but is not required to do so. This means low income children - no matter how poor - are no longer guaranteed vision screenings, coverage of eyeglasses, therapy services, medical equipment that would allow them to attend school, or any other benefit.

States could offer as a "choice" of coverage to beneficiaries a bare bones "benchmark" package or a Health Opportunity Account, eliminating any requirement that individuals are offered coverage of needed benefits.

The Conference Report includes higher cost sharing for prescription drugs than the House-passed bill. This bill would allow states to charge up to 20% of the cost of each medication. For individuals who took multiple drugs, or individuals who needed an expensive medication, these provisions would in effect eliminate access to needed medicines.

The Conference Report indexes nominal cost sharing amounts by *medical inflation* (which grows significantly faster than incomes) and adds *new* provisions (in neither the House nor Senate bill) that allow states to charge co-insurance up to 4 times the amount allowed today. Beneficiaries could pay 20% of the cost of a service - which for some would consume their entire monthly income.

The Conference Report contains no limit on the emergency room cost sharing that may be charged, other than a limitation to 10% of the cost of the service for those between 100 percent and 150 percent of poverty. Above and below that range cost sharing is unlimited. People who are exempt from cost sharing for other services are not exempt from emergency room cost sharing.

As under the House bill, providers can still deny a service if the patient has no ability to pay the charges at the time of service and states can still terminate coverage if the family can not pay premiums.

In addition, the bill includes more restrictive provisions disqualifying poor seniors from long term care services. The Conference Report would disqualify individuals from Medicaid coverage if their home equity was $500,000. The bill that passed the House in November had a $750,000 limit.

The Conference Report is worse than either the House or Senate bill on health care relief for Hurricane Katrina survivors. The Report provides a $2 billion block grant. It provides limited funds to states treating evacuees as well as to states that have been directly affected by Hurricane Katrina even if such funds end up being inadequate or are not allocated properly. Both the House and Senate bills had provided for 100 percent federal financing over the short term for all states with Katrina-related Medicaid costs.

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